

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: July 21, 2004

PERSONNEL LETTER #04-005
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services DivisionRE: **RETIREMENT CHANGE FOR BARGAINING UNIT 07**

Pursuant to Department of Personnel Administration actions, employee retirement contributions for CalPERS members changed effective July 1, 2004 as specified below.

Bargaining Unit 07 rank and file employees whose job classifications are subject to State miscellaneous membership, unless excluded by memorandum of understanding, were moved to State safety membership.

Miscellaneous first-tier and second-tier employees were moved to Safety account codes 19 or 30 based on their hired date. If the effective date of their earliest appointment is on or after April 1, 1986 they were moved to account code 19 Safety subject to Medicare. Employees hired prior to April 1, 1986 and who have no permanent separations or who permanently separated and returned to employment prior to April 1, 1986 were moved to account code 30 Safety not subject to Medicare. The retirement contribution and exclusion amount for both Safety account codes is 6% in excess of \$317 per month.

The chart below identifies the old and new account codes and retirement rates.

Current Account Code	New Account Code	New Rate
01	19 or 30	6%
02	19 or 30	6%
03	19 or 30	6%
04	19 or 30	6%
21	19 or 30	6%
22	19 or 30	6%
24	19 or 30	6%
40	19 or 30	6%
41	19 or 30	6%
42	19 or 30	6%
43	19 or 30	6%
44	19 or 30	6%
45	19 or 30	6%

PROCESSING

The Controller's Office processed an Employment History mass update on July 7, 2004 to post 505 transactions. Turnaround PARS were generated for this mass update.

Employees with appointment or separation expiration dates prior to July 1, 2004 were not included in the mass update. Therefore, agencies must determine if the employees are to be re-appointed or separated and key enter the appropriate transaction. If re-appointed, key enter a 505 transaction effective July 1, 2004 that reflects the correct account code identified in the above chart.

The Controller's Office will post 505 transactions to the Employment History Data Base based on transactions processed prior to the July 7 mass update. If an employee's most current transaction reflects an effective date equal to or less than July 1, 2004, the mass update process posted the 505 transaction. If an employee's most current transaction is effective after July 1, 2004, the 505 transaction will be posted by the Controller's Office beginning July 8, 2004. Also, subsequent transactions will be corrected as needed.

Agencies are responsible for updating the Employment History Data Base with the correct retirement account code information for transactions keyed after the July 7 mass update. Failure to do so could result in an incorrect withholding of employee retirement contributions.

CONTACTS

If you have any questions concerning this letter, please contact Sandy Westlake at (916) 324-9008 or by email at swestlake@sco.ca.gov.

For PAR documentation, contact the Personnel Liaison Unit at (916) 322-6500. Revisions to the Payroll Procedures Manual and the Personnel Action Manual are forthcoming.

JRH:SW:PMAB